

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

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November 23, 1990

17088
RECORDATION FID FILED 1425

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INTERSTATE COMMERCE COMMISSION

Mr. Sidney L. Strickland, Jr.
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Dear Mr. Strickland:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11303(a) two fully executed and acknowledged copies of a Security Agreement-Trust Deed dated as of November 20, 1990, a primary document as defined in the Commission's Rules for the Recordation of Documents, 49 C.F.R. Section 1177.

The names and addresses of the parties to the enclosed document are:

Secured Party: The Provident Bank
1 East 4th Street
Cincinnati, Ohio 45202

Debtor: ACF Industries, Incorporated
3301 Rider Trail South
Earth City, Missouri 63045

A description of the railroad equipment covered by the enclosed document is set forth in Schedule A attached hereto and made a part hereof.

Also enclosed is a check in the amount of \$15 payable to the order of the Interstate Commerce Commission covering the required recordation fee.

Nov 26 1 49 PM '90
HOTOR C-PLPAINO UNIT

Betty Gray
C. D. [Signature]

Mr. Sidney L. Strickland, Jr.
November 23, 1990
Page Two

Kindly return two stamped copies of the enclosed document to the undersigned.

A short summary of the enclosed primary document to appear in the Commission's Index:

Security Agreement-Trust Deed dated as of November 20, 1990 between ACF Industries, Incorporated, Debtor, and The Provident Bank, Secured Party, covering 216 covered hopper cars bearing ACFX reporting marks and numbers.

Very truly yours,

Charles T. Kappler
Charles T. Kappler *38*

Enclosures

Interstate Commerce Commission
Washington, D.C. 20423

11/26/90

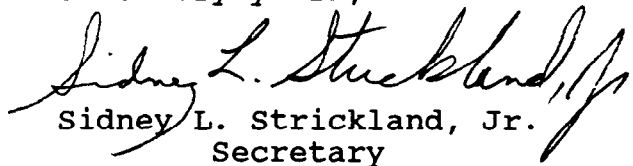
OFFICE OF THE SECRETARY

Charles T. Kappler
Alvord & Alvord
918 16th Street N.W.
Washington, D.C. 20006

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 11/26/90 at 1:55pm, and assigned recordation number(s) 16652-B 16652-C & 17088

Sincerely yours,


Sidney L. Strickland, Jr.
Secretary

REGISTRATION NO **17088** FILED 1425

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INTERSTATE COMMERCE COMMISSION

=====

SECURITY AGREEMENT - TRUST DEED

BETWEEN

ACF INDUSTRIES, INCORPORATED

DEBTOR

AND

THE PROVIDENT BANK

SECURED PARTY

Dated as of November 20, 1990

=====

SECURITY AGREEMENT - TRUST DEED

SECURITY AGREEMENT - TRUST DEED dated as of November 20, 1990 (the "Security Agreement") between ACF Industries, Incorporated, a New Jersey corporation (the "Debtor"), and The Provident Bank, an Ohio banking corporation (the "Secured Party"), parties to the Term Loan Agreement (the "Loan Agreement") dated as of November 20, 1990, as the same may be amended, modified or supplemented from time to time.

RECITALS

A. Pursuant to Section 2.01 of the Loan Agreement and subject to conditions therein set forth, the Secured Party has agreed to make a loan to the Debtor in the principal amount of \$9,346,175.85 (the "Secured Loan").

B. The principal of and interest on the Secured Loan and all additional amounts and other sums at any time due and owing from or required to be paid by Debtor under the terms of the Loan Agreement with respect to the Secured Loan, the Note of the Debtor issued pursuant thereto, this Security Agreement or other Loan Documents are hereinafter sometimes referred to as "indebtedness hereby secured."

Section 1. DEFINITIONS

1.1 Terms defined in the preamble hereof shall have their respective meanings when used herein and as used herein, the following terms shall have the meanings herein specified unless the context otherwise requires. Capitalized terms used but not defined here shall have the meanings assigned to them in the Loan Agreement. Defined terms in this Security Agreement shall include in the singular number the plural and in the plural number the singular.

"AAR" shall mean the Association of American Railroads.

"Casualty Loss" shall have the meaning specified in Section 5.2(a).

"Casualty Loss Proceeds" shall have the meaning specified in Section 5.2(a).

"Collateral" shall have the meaning specified in Section 2 hereof.

"Debtor" shall mean ACF Industries, Incorporated.

"Equipment" shall have the meaning specified in Section 2.2.

"Equipment Leases" shall have the meanings specified in Section 2.3 hereof.

"Equipment Lease Proceeds" shall have the meaning specified in Section 2.3 hereof.

"ICA" shall mean the Interstate Commerce Act, as amended.

"Indebtedness hereby secured" shall have the meaning specified in the second recital hereof.

"Item of Equipment" shall have the meaning specified in Section 2.2 hereof.

"Lessee" shall mean a lessee that is party to an Equipment Lease.

"Loan Agreement" shall mean the \$9,346,175.85 Term Loan Agreement dated as of November 20, 1990 between the parties of this Security Agreement, as the same may be amended, supplemented or modified from time to time.

"Permitted Lien" shall have the meaning specified in Section 3.3 hereof.

"Replacement Unit" shall have the meaning specified in Section 5.2(a) hereof.

"Secured Loan" shall have the meaning specified in the first recital hereof.

"Secured Party" shall mean The Provident Bank, an Ohio banking corporation, and successors and assigns permitted under Section 7.05 of the Loan Agreement.

"Security Agreement" shall mean this Security Agreement as specified in the first paragraph hereof.

"UCC" shall mean the Uniform Commercial Code as in effect in the State of New York unless otherwise specified.

Section 2. SECURITY

2.1. Grant of Security. The Debtor, in consideration of the premises and of the sum of Ten Dollars received by the Debtor from the Secured Party and other good and valuable consideration, receipt and sufficiency whereof is hereby acknowledged, and in order to secure the payment of the principal of and interest on the Note according to its tenor and effect, and to secure the payment of all other indebtedness hereby secured and the performance and observance of all covenants and conditions contained in the Loan Agreement and in this Security Agreement and the Note, does hereby grant to the Secured Party, its successors and assigns, a lien on and a first priority perfected security interest in all of the Debtor's rights, title and interest in and to the properties, rights, interests and privileges described in Sections 2.2 and 2.3 hereof (all of which properties are hereinafter collectively referred to as the "Collateral").

2.2. Equipment Collateral. Collateral includes certain railroad 5,711 cubic foot covered hopper cars described on Schedule A hereto and any Replacement Units (collectively the "Equipment" or "Items of Equipment" and individually an "Item of Equipment") together with all accessories, equipment, parts and appurtenances appertaining or attached to such Equipment, whether now owned or hereafter acquired, and all substitutions, renewals or replacements of and additions, improvements, accessions and accumulations to any and all of said Equipment, together with all the rents, issues, income, profits and avails therefrom and the proceeds thereof.

2.3. Rental Collateral. Collateral also includes, subject to Section 4 hereof, all right, title and interest of Debtor in and to each and every lease now existing or hereafter executed or entered into relating to the Equipment but to and only to the extent relating to the Equipment (each such portion of such lease being an "Equipment Lease"), and all payments due and to become due under any Equipment Lease, or relating to the Equipment whether as

contractual obligations, damages or otherwise, including without limitation insurance and indemnity payments relating thereto, to the extent such payments are derived from the Equipment (the "Equipment Lease Proceeds").

The Secured Party shall be entitled to collect and receive the Equipment Lease Proceeds only upon the occurrence of and during the continuance of an Event of Default.

Section 3. COVENANTS AND WARRANTIES OF THE DEBTOR

The Debtor covenants, warrants and agrees with the Secured Party until the Secured Loan is paid in full that:

3.1 Debtor's Duties. The Debtor shall perform, abide by and be governed by each and all of the terms, provisions, covenants and agreements set forth in this Security Agreement, the Loan Agreement and the Note and in each and every supplement thereto or amendment thereof which may at any time or from time to time to be executed and delivered by the parties thereto or their successors and assigns, to the same extent as though each and all of said terms, provisions, covenants, amendments or supplements to the Loan Agreement were fully set out in an amendment or supplement to this Security Agreement.

3.2 Maintenance; Insurance.

(a) The Debtor shall, at its own cost and expense, maintain or cause every lessee or user of the Equipment, to maintain and service each unit of the Equipment which will include testing, preparation and overhaul of each unit of Equipment so that each unit of Equipment will remain (i) in as good operating condition as when delivered (ordinary wear and tear excepted), (ii) in compliance with any and all applicable laws and regulations including, but not limited to, any applicable rules of the AAR and regulations of the Interstate Commerce Commission, and (iii) eligible for railroad interchange in accordance with the Interchange Rules of the AAR, if such rules are applicable, and (iv) suitable for immediate purchase or re-lease by a Class I line - haul railroad in the event of resale or re-lease hereunder. During the term of this Agreement, the Debtor will comply, and will cause every lessee or user of the Equipment to comply, in all material respects (including, without limitation, with respect to the use, maintenance and

operation of the Equipment) with the Interchange Rules of the AAR and with all lawful rules of the United States Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Equipment to the extent that such laws and rules affect the title, operation, condition or use of the Equipment, provided however the Debtor shall not be required to so comply if and so long as it shall in good faith and by appropriate legal proceedings contest the validity thereof in any reasonable manner that will not endanger the interest of any of the Lessees in the Equipment under the Equipment Leases or the Lien of the Secured Party in the Collateral hereunder. In the event that such laws or rules require any alteration, replacement, addition or modification of or to any part of any unit of the Equipment, the Debtor will, or will cause the Lessee to, conform therewith at no expense to the Secured Party provided however, the Debtor shall not be required to conform if and so long as it shall in good faith and by appropriate legal proceedings contest the validity thereof in any reasonable manner that will not endanger the interest of any of the Lessees in the Equipment under the Equipment Leases or the Lien of the Secured Party in the Collateral hereunder.

(b) The Debtor will maintain or cause to maintain with responsible insurance companies, such insurance on such of its properties, in such amounts and against such risks as is customarily maintained by similar businesses, and in any event, in an amount not less than the full insurable value of the Equipment where insurance is customarily maintained by the Debtor. For the purpose of this Section 3.2(b), insurance shall include self-insurance, provided the Debtor maintains or causes to be maintained adequate reserves to cover the risks not otherwise insured. Within 30 days after the end of each fiscal quarter of the Debtor, the Debtor shall furnish to the Secured Party a certificate of the chief financial officer, president, treasurer or assistant treasurer of the Debtor evidencing the maintenance of the insurance described in this Section 3.2(b).

3.3 Preservation of Collateral. The Debtor will warrant and defend the title to the Collateral against all claims and demands of all third persons or persons claiming by, through or under the Debtor. The Debtor will not create, assume or suffer to exist any Lien on the Collateral other than Permitted Liens (as hereinafter defined) and

shall promptly take such action as is reasonably necessary to remove any Lien that is not a Permitted Lien. As used herein, "Lien" shall mean any mortgage, pledge, security interest, encumbrance, lease, lien or charge of any kind (including any agreement to give any of the foregoing, any conditional sale or other title retention agreement and the filing of or agreement to give any financing statement under the Interstate Commerce Act ("ICA") or the Uniform Commercial Code ("UCC") of any jurisdiction). As used herein, "Permitted Liens" shall mean (a) the Lien created by this Security Agreement and the Equipment Leases; (b) the Lien of taxes, assessments or governmental charges or levies which are not at the time delinquent; (c) the Lien of taxes (including without limitation ERISA liens), assessments or governmental charges or levies which are delinquent but the amount or the validity of which is being contested in good faith by appropriate action if the Debtor shall have set aside on its books such reserves as deemed by it appropriate and adequate in accordance with GAAP, provided that such proceeding shall suspend the collection of such taxes, assessments or governmental charges and, the security interest in the Collateral, or any part thereof, would not be adversely affected or forfeited during the period of such contest; (d) Liens incurred and pledges and deposits made in connection with worker's compensation, unemployment insurance, old-age pensions and other social security or retirement benefits or similar legislation or in connection with public or statutory obligations of the Debtor or any of its Subsidiaries; and (e) mechanics', materialmen's, suppliers', warehousemen's and similar Liens for services or materials for which payment is not overdue or the payment of which is being contested in good faith by appropriate proceedings.

3.4 Further Assurances. The Debtor will, at its expense, do, execute, acknowledge and deliver all and every further acts, deeds, conveyances, transfers and assurances necessary for the perfection of the security interest with the ICC and the Registrar General of Canada being herein provided for in the Collateral, whether now owned or hereafter acquired.

3.5 Recordation and Filing. The Debtor will cause this Security Agreement and any supplements hereto, and all financing and continuation statements and similar notices required by applicable law, at all times to be kept, recorded and filed at no expense to the Secured Party with

the ICC and the Registrar General of Canada in order fully to preserve and protect the rights of the Secured Party hereunder, and will at its own expense furnish to the Secured Party promptly after the execution and delivery of any supplement to this Security Agreement opinions of counsel for the Debtor, Alvord & Alvord, and Canadian counsel respectively, which opinions shall cover the matters set forth in paragraphs (e), (f), (g) and (h) of Exhibit C to the Loan Agreement, in accordance with the terms of such Exhibit C.

3.6 Power of Attorney. The Debtor does hereby irrevocably constitute and appoint the Secured Party, upon the occurrence of and during the continuance of an Event of Default, its true and lawful attorney with full power of substitution for it and in its name, place and stead, to ask, demand, collect, receive, receipt for and sue for any and all Equipment Lease Proceeds hereof with full power to settle, adjust or compromise any claim thereunder as fully as the Debtor could itself do, and to endorse the name of the Debtor on all commercial paper, negotiable instrument or other instruments given in payment or in part payment thereof, and in its discretion to file any claim or take any other action or proceedings, either in its own name or in the name of the Debtor or otherwise, which the Secured Party may deem necessary or appropriate to protect and preserve the right, title and interest of the Secured Party in and to such Equipment Lease Proceeds and the security intended to be afforded hereby.

3.7 Chief Executive Office. The chief executive office of Debtor is located at 3301 Rider Trail South, Earth City, Missouri 63045. Debtor shall give the Secured Party not less than 30 days prior written notice of any change or relocation of its principal or chief executive office; and in the event of any such change, shall prepare, execute, record and file all such recordings and filings necessary or appropriate under applicable law to protect, preserve and perfect the liens of the Secured Party in the Collateral as the first, best and only Liens thereunder other than Permitted Liens and Liens permitted under the Equipment Leases.

3.8 Payments Under Equipment Leases. Upon and during the continuance of an Event of Default, the Debtor shall direct in writing, each lessee under each Equipment Lease to make all payments to be made by them under the

Equipment Leases to the Debtor directly to the Secured Party or in accordance with the Secured Party's instructions until the earlier of such time as (i) the obligations of the Debtor hereunder and under the Note have been discharged or (ii) such Event of Default shall have been waived by the Secured Party or cured to the Secured Party's satisfaction. The Debtor agrees that should it receive any such payment directed to be made to the Secured Party or any proceeds for or with respect to the Collateral or as the result of the sale or other disposition thereof, it shall hold such payments or proceeds in trust for the benefit of the Secured Party and shall promptly forward such payments or proceeds to the Security Party or in accordance with the Secured Party's instructions. The Secured Party agrees to apply amounts from time to time received by it with respect to the Equipment Leases or the Equipment in accordance with Section 6.2 hereof.

Section 4. SPECIAL PROVISIONS CONCERNING EQUIPMENT LEASES AND OTHER COLLATERAL

(a) Until the occurrence and continuance of an Event of Default, Debtor may exercise all of the Debtor's rights, powers, privileges and remedies under the Equipment Leases, including, without limitation, the right to receive any and all monies due or to become due under the Equipment Leases, and to retain all copies (original or duplicates) of Equipment Leases other than the copy that has been furnished to Secured Party.

(b) The Collateral shall be and shall remain free and clear of any Liens arising by, through or with the Debtor, except for Permitted Liens, and the Debtor shall, at its own expense, promptly take such action as may be necessary to discharge any such Liens; provided, however, that the Debtor shall not be required to discharge any such Liens if and so long as it (i) shall in good faith and by appropriate legal proceedings contest the validity thereof in any reasonable manner that will not endanger the interest of any of the Lessees in the Equipment under the Equipment Leases or the Lien of the Secured Party in the Collateral hereunder and (ii) shall have provided security to the Secured Party in an amount reasonably satisfactory to it;

(c) The Debtor shall pay or cause to be paid all taxes and charges, including without limitation all taxes imposed on or measured by its net income, if the failure to

pay such taxes could result in any reduction of the amounts payable to the Secured Party or the imposition of any Lien against the Equipment, the Equipment Leases or any payments made or to be made by the Lessees in respect thereof except for Permitted Liens;

(d) The Debtor shall not anticipate the rents under any of the Equipment Leases or waive, excuse, condone, forgive or in any manner release or discharge any of the Lessees thereunder of or from the obligations, covenants, conditions and agreements to be performed by the Lessees that are intended to satisfy the obligations of the Debtor under this Agreement or to preserve and protect the interests of the Secured Party in the Equipment Leases and the Equipment, including, without limitation, the obligation to pay the rents in the manner and at the time and place specified therein, or enter into any agreement or take any action the result of which would be to amend or modify any material provision of the Equipment Leases, or the obligations of the Lessees thereunder which affect the Collateral or Lessee's obligations to pay rent or terminate the Equipment Leases;

(e) Except as permitted under this Agreement or any Loan Document, the Debtor shall not sell, assign or transfer its rights under this Agreement or in or to the Collateral;

(f) The Debtor shall not, without the consent of the Secured Party which consent shall not be unreasonably withheld, terminate any of the Equipment Leases or otherwise exercise any of the rights or remedies available thereunder against the Equipment or the Lessees;

(g) The Debtor shall promptly notify the Secured Party of any Event of Default of which the Debtor shall have actual knowledge; and

(h) As additional collateral security for the due and punctual payment of the principal of and interest on the Note and the performance and observance by the Debtor of all of its agreements, obligations and covenants contained in this Agreement, the Debtor hereby assigns to the Secured Party for so long as this Security Agreement remains in effect all of the Debtor's right, title and interest in and to (a) all warranty and indemnification provisions granted or otherwise made available to the Debtor, whether by

contract or otherwise, by the various manufacturers, subcontractors or vendors of the Equipment subject only to the rights of the Lessees therein, (b) all Maintenance Service Plans between the Debtor and any manufacturer or other provisions, contractual or otherwise, whereby such manufacturer has agreed to maintain, repair, replace, etc. the parts or equipment manufactured or sold by it comprising the Equipment, (c) all other provisions, contractual or otherwise, whether now or hereafter existing, made or to be made by the Debtor for the maintenance, repair, replacement, etc. of the Equipment and (d) all sums of money, whether now or hereafter existing, required to be paid, reserved or otherwise maintained by the Lessees under the Equipment Leases for the maintenance, repair, replacement, etc. of the Equipment as well as all accounts therefor. The Secured Party shall not exercise rights assigned hereunder until an Event of Default has occurred and is continuing.

Section 5. COLLATERAL

5.1 Possession of Collateral. So long as no Event of Default has occurred and is continuing, the Debtor and each lessee party to an Equipment Lease shall be suffered and permitted to (i) remain in full possession, enjoyment and control of the Collateral, including without limitation the original Equipment Lease, provided, however, that control of the Equipment Lease by the Debtor is subject to the terms of this Agreement, and (ii) to manage, operate and use the Collateral and each part thereof with the rights and franchises pertaining to the Collateral.

5.2 Casualty Loss; Insurance Proceeds.

(a) In the event that at any time prior to occurrence of an Event of Default any Item of Equipment is (A) destroyed, lost, stolen, irreparably damaged or missing for a period in excess of sixty (60) days, taken by any governmental entity (including without limitation condemnation, confiscation, requisition taking of title or use by any governmental entity) or otherwise becomes unusable in the business of the Debtor or (B) is not released on terms acceptable to Secured Party, provided that the Secured Party shall not unreasonably withhold its acceptance (i) to a new Lessee acceptable to Secured Party within six months of an event of default by the existing lessee under an Equipment Lease, provided that the Secured Party shall not unreasonably withhold its acceptance or

(ii) to a new lessee acceptable to Secured Party, provided that the Secured Party shall not unreasonably withhold its acceptance or the existing lessee within six months of the expiration of an Equipment Lease (a "Casualty Loss"), within fifteen days after the occurrence of such Casualty Loss, Debtor shall make written request to Secured Party stating either that (i) the Debtor shall replace such Item of Equipment with a replacement unit of standard gauge railroad equipment acceptable to Secured Party provided that Secured Party shall not unreasonably withhold its acceptance of at least equal value as of the date of the Casualty Loss and utility and of similar type which is then subject to a lease, the terms of which are to be acceptable to Secured Party with a lessee acceptable to Secured Party provided that Secured Party shall not unreasonably withhold its acceptance (the "Replacement Unit"), or (ii) the Debtor shall pre-pay the pro rata portion of the outstanding balance of the Note attributable to such Casualty Loss in accordance with Schedule I to the Loan Agreement as of the date of payment, together with accrued but unpaid interest thereon, and without additional premium or penalty provided, however, that if an Item of Equipment suffers a Casualty Loss of the type described in clause (A) hereof, and so long no other Item of Equipment is subject to such a Casualty Loss at such time (except for such Casualty Losses in respect of which Debtor has either made a pro rata prepayment or subjected replacement Equipment to the Lien of this Agreement in accordance with the terms of this Section 5.2(a)) the Debtor shall not be required to take the actions described in the preceding clauses (i) or (ii) for an additional six months after it would otherwise be required to take such action. For purposes hereof, "pro rata" shall mean a fraction, the numerator of which is the number of Items of Equipment subject to a Casualty Loss and the denominator of which is the total number of Items of Equipment subject to the Lien of this Agreement prior to such Casualty Loss. If Debtor's request is for option (i), Debtor's written request shall include relevant information regarding the terms and conditions of the lease to which the Replacement Unit is subject, the identity and financial information with regard to the lessee of the Replacement Unit, and a full description of the Replacement Unit. Debtor shall provide such additional information as Secured Party may reasonably request. Within fifteen (15) days after Debtor has notified Secured Party of its request for the option described in clause (ii) of the first sentence of this Section 5.2(a), Debtor shall make a pro rata prepayment

in accordance with the terms hereof. Within thirty (30) days after Secured Party's receipt of Debtor's written request for the option described in clause (i) of the first sentence of this Section 5.2(a) and such additional information with regard to such request as reasonably required by Secured Party, Secured Party shall make written response to Debtor's request by either consenting to the option requested by Debtor or by requiring Debtor to comply with the option not requested by Debtor. Secured Party shall not unreasonably deny the option requested by Debtor. Within thirty (30) days after Debtor's receipt of Secured Party's written response, Debtor shall comply with the option as set forth in such written response. Upon such compliance by Debtor, any proceeds payable to Debtor or to the Secured Party as a result of such Casualty Loss, whether in respect of insurance proceeds, condemnation awards or otherwise (collectively, "Casualty Loss Proceeds") shall be retained by or paid to the Debtor.

(b) Upon the occurrence and during the continuance of any Event of Default, all Casualty Loss Proceeds shall be paid to the Secured Party and applied by the Secured Party as specified in Section 6.2.

(c) So long as no Event of Default shall have occurred and be continuing, upon the request of Debtor, the Secured Party shall take such actions as may be requested by the Debtor in order to release, and shall execute and deliver releases in a form reasonably satisfactory to Debtor releasing (i) all the Secured Party's interest in and to any Item of Equipment, and (ii) such Item of Equipment from the Lien of this Agreement, provided, however, that no Item of Equipment shall be so released unless simultaneously there shall be subject to the Lien of this Agreement and the interest of the Secured Party a Replacement Unit, the value of such Replacement Unit to be certified to by an officer of the Debtor. The foregoing shall not be deemed in any way to limit the Debtor's right to purchase or substitute any Replacement Unit in the event of a Casualty Loss or Casualty Losses pursuant to this Section 5.2. Additionally, the foregoing is in addition to, and is not limited by, the Debtor's rights under Section 2.07 of the Loan Agreement.

Section 6. SECURED PARTY'S RIGHTS AND REMEDIES

6.1 Specific Remedies.

(a) If an Event of Default shall have occurred under and be continuing, the Secured Party may exercise any of the remedies available to the Debtor as lessor thereunder (except as otherwise provided herein), may recover possession of the Equipment, may require the Equipment to be assembled and delivered to a reasonable location specified by the Secured Party, and shall be entitled to a judgment conferring upon the Secured Party the immediate right to such possession and to a decree of specific performance requiring the delivery of the Equipment as aforesaid.

(b) Upon the occurrence and during the continuance of an Event of Default, the Secured Party may exercise any or all of the following remedies:

(i) The Secured Party may collect and receive any and all rents, revenues and other cash and non-cash proceeds from the Collateral.

(ii) Subject to the rights of the Lessee (if an Event of Default shall not have occurred and be continuing under the Equipment Lease), if the unpaid principal amount of the Note shall have been accelerated as provided above, the Secured Party may sell all or any part of the Collateral, free from any and all claims of the Debtor, in one lot and as an entirety or in separate lots, upon notice to Debtor as provided herein, at public or private sale, for cash or upon credit, in its discretion. Upon any such public sale, the Secured Party itself or any holder of Note may bid for the property offered for sale or any part thereof. Any such sale may be held or conducted at such place and at such time as the Secured Party may specify, or as may be required by law, and without gathering at the place of sale the Collateral to be sold, and in general in such commercially reasonable manner as the Secured Party may determine.

At the request of the Secured Party, the Debtor shall promptly execute and deliver to the Secured Party such instruments of title and other documents as the Secured Party shall deem necessary or advisable to enable the Secured Party to obtain possession of the Collateral or to

transfer the title to the Collateral to any purchaser in connection with such sale.

If, prior to such sale or the making of a contract therefor, or within thirty (30) days after the Secured Party shall have notified the Debtor of its intention to take possession or sell the Collateral, the Debtor should tender full payment of the total unpaid principal of the Note, together with interest thereon accrued and unpaid and all other amounts due under this Agreement as well as all reasonable expenses of the Secured Party incurred in taking possession of, storing, preparing the Equipment for, and otherwise arranging for, such sale, then in such event absolute right to the possession of, title to and property in the Collateral shall pass to and vest in the Debtor.

Any sale (other than a sale to Debtor), whether under any power of sale hereby given or by virtue of judicial proceedings, shall operate to divest all right, title, interest, claim and demand whatsoever, either at law or in equity, of the Debtor in and to the property sold. No taking possession or sale of the Collateral or any of it by the Secured Party shall be a bar to the recovery by the Secured Party from the Debtor of payments then or thereafter due and payable, and the Debtor shall be and remain liable for the same until such sums shall have been received by the Secured Party.

In the event that an Event of Default shall have occurred and be continuing, the Debtor shall upon the request of the Secured Party deliver the signed copy of the Equipment Lease which has been designated as an original for purposes of the UCC provided, that if any unit or units of Rolling Stock is or are leased under a "Master Lease" (hereinafter defined) which unit or units is or are not an Item of Equipment subject to the Lien of this Security Agreement, the delivery of such Master Equipment Lease shall be to a commercial bank or trust company acting at the direction of and as a fiduciary for and on behalf of the Secured Party and each other financial institution having a security interest in any such unit or units of Rolling Stock and such Master Lease. At such time, Debtor shall provide the Secured Party with a list of the names of such financial institutions having a security interest in such Master Lease. For purposes hereof, a Master Lease is a lease, a portion of which constitutes the Equipment Lease, whereby the Debtor leases Rolling Stock to its lessees.

6.2 Application of Proceeds. If an Event of Default shall occur and be continuing and the Secured Party shall exercise any of the powers conferred upon it by Section 6.1 hereof, all payments received by the Secured Party hereunder after such Event of Default, and the proceeds of any judgment collected hereunder from the Debtor by the Secured Party, and the proceeds of every sale by the Secured Party of any of the Collateral, together with any other amounts which may then be held by the Secured Party under any of the provisions hereof, shall be applied by the Secured Party in the following order of priority to payment of: (a) all proper charges, expenses or advances made or incurred by the Secured Party in exercise of its remedies hereunder, (b) the interest then due, with interest on overdue principal and overdue interest at the Overdue Rate to the extent legally enforceable, and (c) the principal of the Note.

If after applying all such sums of money realized by the Secured Party as aforesaid there shall remain any amount due to the Secured Party under the provisions hereof, the Debtor agrees to pay the amount of such deficit to the Secured Party. If after applying all such sums as aforesaid there is a surplus, such surplus shall be paid by the Secured Party to the Debtor.

6.3 Rights and Remedies Cumulative; No Waiver. Each and every right, power and remedy herein specifically given to the Secured Party under this Agreement shall be cumulative and shall be in addition to every other right, power and remedy herein specifically given now or hereafter existing at law, in equity or by statute, and each and every right, power and remedy whether specifically herein given or otherwise existing may be exercised from time to time and as often and in such order as may be deemed expedient by the Secured Party, and the exercise or the beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission by the Secured Party in the exercise of any right, remedy or power or in the pursuance of any remedy shall impair any such right, power or remedy or be construed to be a waiver of any default on the part of the Debtor or the Lessee or to be an acquiescence therein. No waiver in respect of any Event of Default, right or remedy shall

extend to any subsequent or other Event of Default, right or remedy.

6.4 Restoration of Rights and Remedies. In case the Secured Party shall have proceeded to enforce any right, power or remedy under this Agreement by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Secured Party, then and in every such case the Debtor and the Secured Party shall be restored to their former positions and rights hereunder with respect to the Collateral, and all rights, remedies and powers of the Debtor shall continue as if no such proceedings have been taken.

6.5 Indemnity. The Debtor agrees to indemnify, protect and hold harmless the Secured Party from and against all losses, damages, injuries, liabilities, claims and demands (all the foregoing losses, damages etc. are the "indemnified liabilities"), and expenses in connection therewith (including, but not limited to, reasonable counsel fees and expenses, penalties and interest) arising out of or as the result of (i) entering into or the performance of this Security Agreement, the retention by the Secured Party of a security interest in the Collateral, the ordering, acquisition, use, operation, condition, purchase, delivery, rejection, storage or repossession of any of the Equipment or (ii) any accident in connection with the operation, use, condition, possession, storage or repossession of any of the Collateral resulting in damage to property or injury or death to any person during the period while a security interest therein remains in the Secured Party or during the period of the transfer of such security interest in the Collateral by the Secured Party pursuant to any of the provisions of this Security Agreement; provided, however, that the Debtor shall have no obligation to so indemnify the Secured Party for any indemnified liabilities arising from the Secured Party's willful misconduct or gross negligence.

Section 7. MISCELLANEOUS

7.1 Successors and Assigns. (a) Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party; and all the covenants, promises and agreements in this Security Agreement contained by or on behalf of the Debtor or by or on behalf of the Secured Party, shall bind and

inure to the benefit of the respective successors and assigns of such parties whether so expressed or not.

(b) Neither the Secured Party nor any assignee shall assign its security interest in and to the Collateral except in connection with an assignment of the Note permitted under Section 7.05 of the Loan Agreement.

(c) Notwithstanding anything herein to the contrary, in the event the Secured Party makes more than two assignments permitted under Section 7.05 of the Loan Agreement, then in each instance in this Agreement in which the Debtor is required to obtain the consent of, or deliver notices to, the Secured Party, the Debtor shall obtain such consents from, and deliver such notices to, only (i) the Secured Party if the Secured Party holds at least 51% of the then outstanding unpaid principal amount of the Note or, (ii) if the Secured Party holds less than 51% of the outstanding unpaid principal amount of the Note, then the permitted assignee under Section 7.05 of the Loan Agreement that holds the largest percentage of the outstanding unpaid principal amount of the Note at such time or (iii) the Lender's or such assignee's designated agent, provided that Debtor shall have no obligation to pay any compensation to, or any expenses of, any such agent.

7.2 Partial Invalidity. The unenforceability or invalidity of any provision or provisions of this Security Agreement shall not render any other provision or provisions herein contained unenforceable or invalid.

7.3 Communications. All communications provided for herein shall be in writing (including telex, telecopy and cable) and shall be deemed to have been given (unless otherwise required by the specific provisions hereof in respect of any matter) when delivered personally, one day after being delivered to the telegraph company or the cable company, or confirmed by telex answerback or three days after being deposited in the United States certified mails, first class, postage prepaid, addressed as set forth in Section 7.02 of the Loan Agreement.

7.4 Termination. This Security Agreement and the security interest granted hereby shall terminate when the Secured Loan has been fully paid or discharged, at which time the Secured Party shall execute and deliver to the Debtor all Uniform Commercial Code termination statements

and such similar documents or proper instrument or instruments which the Debtor shall request to evidence such termination.

7.5 Governing Law. This Security Agreement shall be construed in accordance with and governed by the laws of the State of New York applicable to contracts made and to be performed in such State; provided, however, that the parties shall be entitled to all rights conferred by 49 U.S.C. Section 11303 and such additional rights, arising out of the filing, recording or deposit hereof, if any.

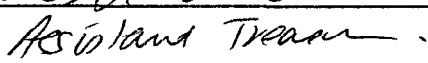
7.6 Counterparts. This Security Agreement may be executed, acknowledged and delivered in any number of counterparts, each of such counterparts constituting an original but all together constituting only one Security Agreement.

7.7 Headings. Any headings or captions preceding the text of the several sections hereof are intended solely for convenience of reference and shall not constitute a part of this Security Agreement nor shall they affect its meaning, construction or effect.

IN WITNESS WHEREOF, the Debtor and the Secured Party have executed this Security Agreement as of the day and year first above written.

ACF INDUSTRIES, INCORPORATED

By: 

Title: 

THE PROVIDENT BANK

By: 

Title: V.P.

STATE OF MISSOURI)

: SS.:

COUNTY OF ST. LOUIS)

On this 20th day of November, 1990, before me, personally appeared Umesh Choksi to me personally known, who being by me duly sworn, says that he resides at 2031 Schoettler Valley Dr., Chesterfield, Missouri 63017 and is Asst. Treasurer of ACF Industries, Incorporated, that one of the seals affixed to the foregoing instrument is the corporate seal of said corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

W. MARINETA ZIMMERMAN
NOTARY PUBLIC STATE OF MISSOURI
ST. CHARLES COUNTY
MY COMMISSION EXP. APR. 7, 1994

W. Marineta Zimmerman
Notary Public

STATE OF OHIO)

: SS.:

COUNTY OF HAMILTON)

On this 21st day of November, 1990, before me, personally appeared FOREST C. FRANK to me personally known, who being by me duly sworn, says that he resides at 8575 GIVEN RD, CINCINNATI, OHIO 45222 and is VICE PRESIDENT THE PROVIDENT BANK, that one of the seals affixed to the foregoing instrument is the corporate seal of Signal Capital Corporation, that said instrument was signed and sealed on behalf of said corporation by authority of its Board of Directors; and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

MICHAEL F. BIGLER
ATTORNEY AT LAW
NOTARY PUBLIC - STATE OF OHIO
MY COMMISSION HAS NO EXPIRATION DATE

Michael F. Bigler
Notary Public

SCHEDULE A
THE EQUIPMENT
ACF INDUSTRIES, INCORPORATED

<u>CAR COUNT</u>	<u>CAR NUMBERS</u>	<u>AAR DESIGNATION</u>
50	ACFX 66651 - 66700	C214
3	ACFX 66705 - 66707	C214
84	ACFX 66709 - 66792	C214
6	ACFX 66797 - 66802	C214
14	ACFX 66809 - 66822	C214
1	ACFX 66826	C214
1	ACFX 66828	C214
22	ACFX 67060 - 67081	C214
1	ACFX 67085	C214
6	ACFX 67116 - 67121	C214
<u>28</u>	ACFX 67123 - 67150	C214
216		